

Exhibit D-2 ORCA Program Cost Categories for Annual Budget – Operating Phase

1. **Annual Budget.** By June 1 of each year or on such other date determined by the Joint Board, the Joint Board will approve an annual ORCA Budget. The annual ORCA Budget will be based on information provided by the ORCA Regional Program Administrator, the ORCA Operations Manager, and the other Regional Service Providers.
2. **ORCA Program Cost Categories.** ORCA Program Regionally-shared Costs are shared by the Agencies according to the allocation formula developed in accordance with **Exhibit D-1**. The ORCA Program Regionally-shared Costs as defined in Section 3 of the Agreement include ORCA Program Operating Costs, ORCA Program Capital Costs, and other regionally shared costs approved by the Joint Board.

By way of illustration, the annual ORCA Budget may include the following categories of ORCA Program Operating Costs that are regionally shared.

- A. **Costs Incurred by ORCA Regional Program Administration Agency.** The following categories of costs incurred by the Regional Program Administration Agency are expected to be included in the annual ORCA Budget except to the extent contributed as provided in Section 5 below.

<u>Regional Services Provided by ORCA Regional Program Administration Agency</u>	
1	Regional Program Coordination
2	Regional Program policy development
3	Financial Management: Audit, reporting and budgeting
4	Security and PCI Audits
5	Regional Marketing and Customer Service Materials
6	Customer Call and e-mail Routing
7	Records maintenance and public disclosure
8	Program insurance as required
9	Legal services as contracted by Joint Board
10	Supplies

- B. **Costs incurred by Fiscal Agent.** The following categories of costs incurred by the Fiscal Agent are expected to be included in the annual ORCA Budget.

<u>Regional Services Provided by Fiscal Agent</u>	
1	Fiscal Agent Fees
2	Banking Fees (netted against investment income)
3	Supplies

- C. Costs Incurred by ORCA Operations Agency. The following categories of costs incurred by the ORCA Operations Agency are expected to be included in the annual ORCA Budget except to the extent contributed as provided in Section 5 below.

Regional Services Provided by ORCA Operations Agency	
1	Contract Administration
2	Dispute Review Board administration
3	Technical consulting services contract management
4	Emergency preparedness and response
5	Software escrow
6	Legal Services
7	Monitoring of Regional Services
8	Coordination of Committees and Advisory Groups
9	Coordination with Regional Program Administrator
10	Configuration Data Administration

- D. Costs Incurred by Other Regional Service Providers. Applicable costs for the following services are expected to be included in the annual ORCA Budget.

Regional Services	
1	Mail Center
2	Regional Distribution and Inventory Center (RDIC)

- E. Payments Owed to RFC Contractor. The following categories of regional services are expected to be included in an annual ORCA Budget.

RFC Contract Regional System Operating Services	
1	Software Maintenance and Technical Support
2	Customer Service
3	Institutional Program Support
4	Fare Card Management
5	Card Procurement (from Manufacturer) and Distribution (to King County)
6	Clearinghouse Services
7	Financial Management
8	Network Management
9	Retail Revalue Network

Note: Equipment Maintenance payments to RFC Contractor are not regionally-shared.

F. Payments Owed to Joint Consultants. The estimated amounts owed to Joint Consultants are expected to be included in an annual ORCA Budget.

G. Retailer Commissions. The commissions paid to Regional Retail Revalue Entities based on sales of ORCA Products will be shared by the Agencies and will be included in the annual ORCA Budget. The commissions are established by the Joint Board. (Presently the commissions are 2% of sales).

H. ORCA Card Cost. The cost of obtaining ORCA cards from a supplier is considered an ORCA Program Regionally-shared Cost and will be included in the annual ORCA Budget.

I. Other Board Approved Operating Costs. The Joint Board may approve other ORCA Program operating costs to be shared by the Agencies.

J. ORCA Capital Budget Categories. In addition to the ORCA Program Operating Costs, the Joint Board may from time authorize capital costs including costs of system enhancements, expansions and replacements that will be shared by the Agencies. These capital cost categories will be included in the annual ORCA Budget when approved by the Joint Board.

K. Agency Specific Internal Costs. Agencies will incur internal costs necessary to support the ORCA Program and their individual responsibilities under this Agreement and the RFC Contract, including but not limited to: the costs of employing a Site Manager and other personnel; operating and maintaining communications networks; paying the RFC Contractor for maintenance, replacement and purchasing additional ORCA equipment; and site-specific system design and installation activities. These internal costs are not shared among the Agencies, but for purposes of providing a comprehensive budget picture, these additional internal estimated costs may be identified in the annual ORCA Budget as Agency specific internal costs which will be the responsibility of the Agency.

L. Voluntary Contributions by an Agency. When an Agency voluntarily contributes goods or services to the ORCA Program, the cost of such goods or services will not be shared among the Agencies; but for purposes of providing a comprehensive budget picture, the cost of these voluntary contributions may be identified in the annual ORCA Budget as the Agency's specific voluntary contributions to the ORCA Program.